

Allowing Steady Savings by Eliminating Tests (ASSET) Act

Representatives Cox, Schrier, and Gomez

Senators Coons and Brown

BACKGROUND

- **TANF, SNAP, LIHEAP, and SSI are vital pieces of the federal safety net.** The Temporary Assistance for Needy Families (TANF) program, Supplemental Nutrition Assistance Program (SNAP), and Low Income Home Energy Assistance Program (LIHEAP) help low-income families, particularly those with children, meet basic needs like food and heating. The Supplemental Security Income (SSI) program reduces extreme poverty among the elderly and people with disabilities.
- **Safety net programs often limit families' eligibility on the basis of both income and assets.** A savings account or a car can count against eligibility. Asset limits for savings are outdated and often set as low as \$2,000, limiting a family's preparedness for a medical emergency or unanticipated expense. The asset limit for SSI has not changed since 1989.
- **Asset limits are counterproductive.** Building assets are the key to economic development, yet asset limits penalize saving for emergencies, education, and retirement.
- **Some states have eliminated asset limits.** Federal law gives states flexibility in administering TANF and SNAP. Eight states have eliminated TANF asset limits, 34 states have eliminated SNAP asset tests, and 39 states have no LIHEAP asset test. SSI is administered by the federal government and has not changed asset limits since 1989.

THE ASSET ACT

- **Eliminates asset limits on TANF, SNAP, and LIHEAP.** The bill prohibits states from applying asset or resource limits on these programs. Income limits would remain. A delay on implementation is permitted for states that need to pass legislation to conform.
- **Raises the asset limits on SSI.** The bill raises the current asset limit for SSI from \$2,000 to \$10,000 for an individual and from \$3,000 to \$20,000 for a couple, indexed to inflation.

WHAT WOULD THIS MEAN?

- **Financial security.** Removing asset limits on SNAP alone increases the odds that lower-income adults have at least \$500 by 8% and have a bank account by 5%. It also reduces the amount of individuals repeatedly cycling on and off the program by 28%.¹
- **No new opportunity for abuse.** Research shows applicants for public assistance have very limited assets and the bill retains work requirements and time limits on participation.²
- **Administrative savings.** Removing this bureaucratic layer when states are administering SNAP and TANF simplifies the application process and saves time for caseworkers. When Pennsylvania eliminated its SNAP asset test in 2015, it anticipated saving \$3.5 million.³
- **Consistency and certainty.** Research shows that inconsistent policies among these programs and across states results in confusion for eligible recipients and non-recipients and can deter savings even where no asset test exists.⁴

The ASSET Act is endorsed by:

Alliance to End Hunger, Bread for the World, Center for Law and Social Policy (CLASP), Children's HealthWatch, Coalition on Human Needs, Food Research and Action Center (FRAC), First Focus

¹ <https://www.urban.org/sites/default/files/publication/82886/2000872-The-Unintended-Consequences-of-SNAP-Asset-Limits.pdf>

² <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2016/07/do-limits-on-family-assets-affect-participation-in-costs-of-tanf>

³ <https://www.governor.pa.gov/newsroom/snap-asset-test/>

⁴ https://static.newamerica.org/attachments/3826-state-asset-limit-reforms-and-implications-for-federal-policy/SpragueBlackFinal10.31.12_0.557490fb36df433a80bd5cb2f3885e5d.pdf

WHAT PEOPLE ARE SAYING ABOUT THE ASSET ACT

"Asset limits for means-tested programs such as SNAP and TANF force people to deplete their resources and avoid accumulating savings in order to maintain eligibility. Restricting public benefits eligibility through asset tests only hurts people who are trying to achieve economic security and plunges them deeper into poverty. By eliminating asset limits, the ASSET Act will allow families to save for unexpected events, education expenses, or a deposit for a home in a better neighborhood without risking their access to vital programs that help them make ends meet. We applaud Senator Coons for introducing this important legislation, which will enable workers and parents with low incomes to build a stronger financial future." — **Olivia Golden, executive director, the Center for Law and Social Policy**

"Children continue to disproportionately experience poverty in the U.S. Our child poverty rate would be even higher if not for programs such as TANF, SNAP and LIHEAP that lift millions of children out of poverty each year, and make children healthier and more successful. Prohibiting families with children from accessing cash assistance and nutritional support because they have some assets or savings is counterintuitive to breaking the cycle of poverty and adds needless administrative burden." — **Bruce Lesley, President, First Focus Campaign for Children**

"**The Coalition on Human Needs** strongly supports the ASSET Act which will allow people who need TANF, SNAP, LIHEAP and SSI to improve their economic security by ending counter-productive penalties on savings, enabling them to withstand financial emergencies, reduce their dependence on public assistance, and build for their future."

"Simplifying asset test policies in Michigan has reduced barriers and accelerated the process for struggling families to get benefits they need. The ASSET Act would take the next step in making the safety net work better for both families and state agencies who administer these programs." — **Robert Gordon, Director of Health and Human Services, State of Michigan**

"Research consistently shows that increasing family economic resources and building assets is important for current and future child and adult health. We also know that SNAP, TANF, and LIHEAP are good medicine for families, helping them to thrive. Ensuring that families have the support they need while they build toward economic stability is the right thing to ensure a healthier future for us all," — **Stephanie Ettinger de Cuba, Executive Director of Children's HealthWatch**

"Prosperity Now is incredibly grateful to be working with Senators Coons and Brown to champion the ASSET Act and end the harm caused by asset limits on public assistance programs. This bill will remove a significant barrier to saving and put financial security in reach for some of our most vulnerable families across the country." — **Gary Cunningham, President and CEO of Prosperity Now.**

"The Latino community in the U.S. – 60 million people strong and growing – accounts for a \$2.3 trillion economy. Yet, as crucial as Latinos' contributions are to our nation's prosperity, persisting economic inequality is holding the community back, which harms the future prospects of all Americans. The ASSET Act is a positive step in the right direction, especially at a time when the Trump Administration has been relentless in its attacks on American families struggling to make ends meet. We're already seeing the consequences of harmful actions like the public charge rule and rollbacks to disparate impact, which have created barriers to economic opportunity for Latino families across the nation. By increasing access to core assistance programs like SNAP, TANF and SSI, which have helped lift countless Americans out of poverty, the ASSET Act would help millions of Latinos achieve their full economic potential." — **Eric Rodriguez, Senior Vice President, Policy and Advocacy, UnidosUS**

"Bread for the World strongly supports the ASSET Act. Eliminating asset tests will give struggling families the opportunity to build up savings and pull themselves out of hunger and poverty. Families should not be punished for building a better life for themselves or for having some savings to fall back on in case of an emergency or unexpected expense." — **Rev. David Beckmann, president of Bread for the World.**